
DBUKH Finance Limited

Company number: 4816138

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 December 2005



REPORT OF THE DIRECTORS
For the year ended 31 December 2005

The directors present their annual report and audited financial statements for the year ended 31 December 2005.

ACTIVITIES AND REVIEW OF BUSINESS

In these financial statements the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure' have been adopted for the first time. Preference Shares have been classified as a financial liability in these financial statements and the corresponding dividend payable dealt with as part of interest payable and similar charges.

The principal business of the Company is that of a holding company. As a result of a letter of comfort from DB Investments (GB) Limited, the Company's immediate controlling entity, the Company is able to maintain good standing and remain in a position to meet its contractual obligations as they fall due. The Directors believe that presentation on the going concern basis is appropriate. The Directors do not envisage that there will be any substantial change for the foreseeable future in the operations of the Company.

The position at the end of the year is reflected in the audited balance sheet set out on page 5.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2005, after providing for taxation, show a profit of £1,052,095, (2004: loss of £5,670,756). The Directors do not recommend the payment of an ordinary dividend for the year ended 31 December 2005 (2004: £nil)

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2005 were as follows:

D G Penfold

V E Harman

T M Barney

Resigned 18 March 2005

M Press

M P Coxon

Appointed 4 April 2005

N S Vasudeva

Appointed 21 December 2005

E Fletcher and A Rutherford were Joint Secretaries of the Company during the year. E Fletcher resigned on 17 March 2005 and A Rutherford became Secretary on 17 March 2005.

As at the date of approval, and during the year, the company has in force a third party qualifying indemnity provision for the benefit of its directors.

REPORT OF THE DIRECTORS (continued)
For the year ended 31 December 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with the law.

DIRECTORS' INTERESTS

None of the Directors had an interest in the share capital of the Company during the year.

None of the Directors had any disclosable interest in the shares or debentures of any UK group undertaking at the end of the period, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the year.

AUDITORS

Pursuant to Section 379A of the Companies Act 1985 the Company has elected to dispense with the the annual appointment of Auditors and KPMG Audit Plc will, therefore, continue in office.

By order of the Board of Directors this 8 August 2006



Director

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DBUKH Finance Limited**

We have audited the financial statements of DBUKH Finance Ltd for the year ended 31 December 2005 which comprise the Profit and Loss Accounts, the Balance Sheet, the Reconciliation of movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

Dated: *8 August 2006*

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2005

	Note	<u>2005</u> £	Restated <u>2004</u> £
Income from shares in group undertakings		17,953,372	10,478,667
Interest receivable	4	23,563,672	12,352,270
Interest payable	5	(47,408,264)	(35,260,435)
<hr/>			
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,891,220)	(12,429,498)
Tax credit on loss on ordinary activities	6	6,943,315	6,758,742
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PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,052,095	(5,670,756)
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RETAINED PROFIT / (LOSS) FOR THE YEAR		1,052,095	(5,670,756)
RETAINED LOSS BROUGHT FORWARD		(5,731,704)	(60,948)
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RETAINED LOSS CARRIED FORWARD		(4,679,609)	(5,731,704)

The profit for the year has arisen from continuing activities.

There were no other recognised gains and losses during the period.

The notes on pages 7 to 11 form part of these accounts.

BALANCE SHEET

As at 31 December 2005

	Note	<u>2005</u> £	Restated <u>2004</u> £
FIXED ASSETS			
Investments	7	516,565,132	533,439,491
CURRENT ASSETS			
Debtors	8	481,488,357	550,383,953
Cash at bank		77,438	33,571
		<u>481,565,795</u>	<u>550,417,524</u>
CREDITORS: amounts falling due within one year	9	(898,878,910)	(985,657,093)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		99,252,017	98,199,922
CREDITORS: amounts falling due after more than one year	10	(103,931,625)	(103,931,625)
NET ASSETS			
		(4,679,608)	(5,731,703)
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account		(4,679,609)	(5,731,704)
Shareholder's funds - Equity			
		(4,679,608)	(5,731,703)

The notes on pages 7 to 11 form part of these accounts.

These financial statements were approved by the Board of Directors on 8 August 2006


 Signed by

For and on behalf of the Board of Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2005

	<u>2005</u>	<u>2004</u>
Profit / (loss) for the period	1,052,095	(5,670,756)
Exchange (loss)/gains on translation of investments denominated in foreign currencies	(13,464,416)	23,910,685
Exchange gain/(loss) on translation of borrowings hedging investments denominated in foreign currencies	13,464,416	(23,910,685)
Total recognised gains and losses for the period	1,052,095	(5,670,756)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2005

	<u>Profit & Loss</u> <u>Account</u> £	<u>Ordinary Share</u> <u>Capital</u> £	<u>Preference Share</u> <u>Capital</u> £	<u>Preference Share</u> <u>Premium</u> £	<u>Total</u> £
Balance at 1 January 2005	(5,731,704)	1	-	-	(5,731,703)
Retained profit for the period	1,052,095	-	-	-	1,052,095
Balance at 31 December 2005	(4,679,609)	1	-	-	(4,679,608)

	<u>Profit & Loss</u> <u>Account</u> £	<u>Ordinary Share</u> <u>Capital</u> £	<u>Preference Share</u> <u>Capital</u> £	<u>Preference Share</u> <u>Premium</u> £	<u>Total</u> £
Balance at 1 January 2004	(60,948)	1	-	-	(60,947)
Share capital issued			2,500	103,929,125	103,931,625
Retained profit for the period	(5,670,756)	-	-	-	(5,670,756)
Net reduction in shareholders' funds					
Opening shareholders' funds (originally £98,199,922 restated for prior year adjustment of £103,931,625)			(2,500)	(103,929,125)	(103,931,625)
Balance at 31 December 2004	(5,731,704)	1	-	-	(5,731,703)

The notes on pages 7 to 11 form part of these accounts.

NOTES TO THE ACCOUNTS**For the year ended 31 December 2005**

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date' and,
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards have had no material effect in their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

In these financial statements the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure' has been adopted for the first time.

The accounting policy under this new standard is set out below together with an indication of the effect of its adoption.

The corresponding amounts in these financial statements are restated in accordance with the new policy.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 1985, UK applicable accounting standards and applicable Statements of Recommended Practice. The particular accounting policies are described below.

(a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention.

(b) INCOME RECOGNITION

Interest income and expense is accounted for on an accrual basis.

(c) TAXATION

The charge for taxation is based on profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

(d) CLASSIFICATION OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance charges associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2005

1 ACCOUNTING POLICIES (continued)

(e) FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings are stated at cost. Other Fixed Asset Investments are held at historic cost less an impairment provision where the directors consider it to be appropriate. The carrying value in the financial statements includes all costs incurred in the acquisition of the investments. Investments in preference shares of group undertakings that are monetary in nature, are revalued at the exchange rate current at the balance sheet date or if there is a derivative instrument hedging the foreign currency investment, are recorded at the exchange rate implicit in the hedge. Dividend income is recognised on an accruals basis. Income on hedged investments is recognised on the basis of the exchange rate implicit in the hedge.

(f) STOCK LOAN AGREEMENT

The Company has entered into a stock loan agreement which involves the transfer of subsidiary shares in return for collateral. The collateral is recorded as a liability with the related shares included in fixed asset investments, reflecting the substance of the arrangement.

(e) BASIS OF PREPARATION

As the Company is a wholly owned subsidiary undertaking of Deutsche Bank AG, which is incorporated in the E.U. and which publishes consolidated financial statements, and as its immediate parent undertaking is also incorporated in the E.U., it is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group financial statements. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

(f) CASH FLOW STATEMENT

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

(g) FOREIGN EXCHANGE

Transactions in foreign currencies other than sterling are translated at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

2 DIRECTORS' REMUNERATION

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2005, including pension contributions, were \$nil (2004: \$nil).

3 ADMINISTRATIVE EXPENSES

The Company has no full time employees. The staff involved in the Company's operations are all employees of the Deutsche Bank Group. The total staff costs have been borne by a Deutsche Bank Group company without recharge, no staff costs have therefore been included in these financial statements (2004: £nil).

Audit remuneration is borne by a group undertaking (2004: £nil).

4 INTEREST RECEIVABLE

	<u>2005</u>	<u>2004</u>
	£	£
Interest receivable from group undertakings	23,311,622	12,352,270
Foreign exchange gain	252,050	-
	<u>23,563,672</u>	<u>12,352,270</u>

5 INTEREST PAYABLE

	<u>2005</u>	Restated <u>2004</u>
	£	£
In respect of borrowing from group undertakings	40,814,041	29,055,904
Other borrowings	4,958	-
Finance costs on shares classified as liabilities	6,589,265	5,993,523
Foreign exchange loss	-	211,008
	<u>47,408,264</u>	<u>35,260,435</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

6 TAXATION	2005	2004
	£	£
(a) Analysis of tax on profit on ordinary activities		
<i>Current Taxation</i>		
Group Relief charge for the year	6,943,315	6,758,742
Total tax credit on loss on ordinary activities	6,943,315	6,758,742
(b) Current tax reconciliation		
The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation:		
	2005	2004
	£	£
Loss on ordinary activities	(5,891,220)	(12,429,498)
Tax on loss on ordinary activities at standard rate (30%)	(1,767,366)	(3,728,849)
Effects of:		
Deemed manufactured dividend	(1,965,253)	(1,755,267)
Dividend payable	1,976,779	1,798,056
Non taxable UK dividend income	(5,187,476)	(2,952,812)
Foreign exchange gain on non taxable dividend income	-	(119,870)
Total current tax credit	(6,943,315)	(6,758,742)
7 FIXED ASSET INVESTMENTS	2005	2004
	Shares in subsidiaries	Shares in subsidiaries
	£	£
At 1 January	533,439,491	40,000,000
Additions	1,030	503,470,518
Disposals	-	(39,999,000)
Exchange difference	(16,875,389)	29,967,973
At 31 December	516,565,132	533,439,491

Subsidiary Undertakings

The shares in subsidiary undertakings are valued at the director's valuation.

Details of the Company's principal undertakings are set out below:

Name of company	Country of incorporation	Activity	Proportion of equity capital
Arche Investments Limited	United Kingdom	Special Purpose Vehicle	100%
Stores International Limited	Cayman Islands	Special Purpose Vehicle	100%
DB Henlow Investments Limited	Cayman Islands	Special Purpose Vehicle	100%
DB Jasmine (Cayman) No.2 Limited	Cayman Islands	Special Purpose Vehicle	100%
DB Marcassin (Cayman) Holdings Limited	Cayman Islands	Special Purpose Vehicle	100%
Deutsche Securities Colombia SA.	Colombia	Special Purpose Vehicle	1.5%

The company has a nominal investment of EUR672 million in preference shares issued by Arche Investments Limited. The Company has hedged part of the foreign exchange risk of this investment by entering a cross currency swap amounting to EUR152 million.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

8 DEBTORS	2005 £	2004 £
Amounts due from group undertakings	481,488,356	548,304,528
Group relief receivable	-	2,079,424
Called up share capital, allotted and issued but not fully paid	1	1
	481,488,357	550,383,953
9 CREDITORS: Amounts falling due within one year	2005 £	2004 £
Amounts owed to parent undertakings	309,128,057	549,266,325
Amounts owed to fellow subsidiary undertakings	576,677,518	430,397,245
Interest on Preference share premium classified as liabilities	12,582,788	5,993,523
Corporation Tax payable	490,547	-
	898,878,910	985,657,093
10 CREDITORS: Amounts falling due after more than one year	2005 £	2004 £
Cumulative Redeemable Preference shares classified as liabilities	2,500	2,500
Preference share premium classified as liabilities	103,929,125	103,929,125
	103,931,625	103,931,625
11 SHARE CAPITAL	2005 No	2004 No
Authorised:		
Ordinary Shares of £1 each	1	1
	1	1
Allotted and issued:		
Ordinary Shares of £1 each	1	1
	1	1
Fully paid:		
Ordinary Shares of £1 each	-	-
	-	-

NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

12 SHARE CAPITAL continued

	<u>2005</u>	<u>2004</u>
	£	£
Authorised:		
Ordinary Shares of £1 each	1	1
Cumulative Redeemable Preference Shares of \$1 each	99,999,999	99,999,999
	<u>100,000,000</u>	<u>100,000,000</u>
Allotted and issued:		
Ordinary Shares of £1 each	1	1
Cumulative Redeemable Preference Shares of \$1 each	2,500	2,500
	<u>2,501</u>	<u>2,501</u>
Fully paid:		
Ordinary Shares of £1 each	-	-
Cumulative Redeemable Preference Shares of \$1 each	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
The Cumulative Redeemable Preference shares were issued for a total of \$103,931,625.		
Shares classified as liabilities	2,500	2,500
Shares classified in shareholders' funds	1	1
	<u>2,501</u>	<u>2,501</u>

The preference share issued are redeemable cumulative preferential share with a fixed rate dividend of 6.34% per annum. The Company has the ability to redeem these preference shares from the date of the 10th anniversary of the issue of these shares. Preferential share holders have one vote in respect of each fully paid preference share.

12 FORWARD PURCHASE AGREEMENTS

On 5 February 2004 the Company entered into a forward purchase agreement with Bozarche Limited in relation to preference shares issued by DB Sirius Limited presently held by Bozarche Limited.

Under the terms of the agreement the company contracts to buy back the shares, the principal being £103,931,625, plus and accrued and unpaid dividends once the dividends have become payable. At 31 December 2005, the amount was:

	<u>2005</u>	<u>2004</u>
	£	£
Commitments - one year or more	116,514,413	106,581,198

13 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

DB UK Holdings Limited, a company registered in England and Wales, is the Company's immediate controlling entity.

Deutsche Bank AG, a company registered in Germany, is the Company's ultimate controlling entity, also being the ultimate parent company and the parent undertaking of the largest and smallest group for which group financial statements are drawn up.

Copies of the group financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretary, Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

14 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with members or associates of the Deutsche Bank AG group.